

**Brooklyn  
Public  
Library**

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December 18, 1996

Office of the Secretary  
Federal Communications Commission  
Room 222  
1919 M Street, NW  
Washington, DC 20554

Reference: CC Docket No. 96-45

Enclosed please find our comments as requested by Public Notice dated November 18, 1996 on the Federal-State Joint Board adoption of the Recommended Decision on November 7, 1996 regarding Universal Service.

Sincerely,



Martín Gómez  
Executive Director

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5  
6 **Introduction**

7  
8 Brooklyn Public Library (BPL) hereby submits its comments as  
9 requested by Public Notice dated November 18, 1996 on the  
10 Federal-State Joint Board adoption of the Recommended Decision on  
11 November 7, 1996 regarding Universal Service.

12  
13 Brooklyn Public Library was founded in 1897 and is the fifth  
14 largest public library system in the country. It is the mission  
15 of Brooklyn Public Library to insure the preservation and  
16 transmission of society's knowledge, history and culture, and to  
17 provide the people of Brooklyn with free and open access to  
18 information for education, recreation and reference. Brooklyn  
19 Public Library is one of three independent library systems  
20 (together with Queens Borough Public Library and New York Public  
21 Library) serving New York City.

22  
23 **Overview**

24  
25 Brooklyn Public Library agrees in principal with the Recommended  
26 Decision adopted by the Federal-State Joint Board, specifically  
27 the sections of the Recommended Decision which relate to Schools  
28 and Libraries. We urge that the Joint Board implement the  
29 recommendations in time for the 1997-1998 school year.

1  
2 We agree that any discounts provided for under the Recommended  
3 Decision apply to all telecommunication services, letting  
4 technology advances and market needs drive the technology  
5 utilization of libraries.

6  
7 Although Brooklyn Public Library agrees that the overall range of  
8 discounts if applied to reasonably comparable prices should  
9 adequately provide for a reflection of the true issues facing  
10 libraries today, namely high-cost and low-income service areas,  
11 we do have concerns over the methodology set forth to calculate  
12 these discounts.

13  
14 We are also concerned about the disparate level of affordable  
15 services between states which may result from having differing  
16 interstate and intrastate discount methodologies, determined and  
17 applied by different governing bodies.

#### 18 19 **High Cost Discount**

20  
21 Brooklyn Public Library is very concerned with methodology used  
22 to calculate High Cost Discount. Specifically, we believe that  
23 in calculating High Cost Discount there needs to be two separate  
24 and distinct components in arriving at the overall High Cost  
25 Discount.

26  
27 We also believe, and will illustrate, that the proposed High Cost  
28 Discount ranges of five (5%) to ten (10%) percent do not  
29 accurately reflect the true cost differential.

1 The first component of our proposed High Cost Discount  
2 calculation methodology directly relates to the varying  
3 conditions of telecommunication infrastructures throughout the  
4 country and the resultant cost differentials.

5  
6 Although we address this issue as part of our proposed  
7 methodology for calculating the High Cost Discount, it may also  
8 be addressed by more clearly defining the Lowest Corresponding  
9 Price, which the Joint Board recommended be set at "the lowest  
10 price charged to similarly situated non-residential customers for  
11 similar services." Our concern lies with the definition of  
12 similarly situated non-residential customers as these customers  
13 may find themselves burdened with the same element of additional  
14 cost, and Brooklyn Public Library believes this component of cost  
15 may not be identified clearly enough and thus may not be  
16 adequately addressed in the Recommended Decision.

17  
18 As it currently exists, the availability of advanced  
19 telecommunications services varies widely from region to region.  
20 These differences exist not only between Regional Bell Operating  
21 Companies (RBOC), but within Local Access and Transport Areas  
22 (LATAs) served by the same RBOC.

23  
24 These differences exist for many reasons, not the least of which  
25 is "assumed" insufficient return on RBOC investment costs of  
26 upgrading the necessary infrastructure and equipment to provide  
27 these advanced services. Since current Universal Service  
28 obligations are limited to Plain Old Telephone Service (POTS),  
29

1 the infrastructure commitments are not necessary to meet current  
2 regulatory requirements.

3  
4 However, without clearly defining the advanced services which are  
5 required to be provided under the provisions set forth for  
6 Universal Service in the Recommended Decision, a recommendation  
7 with which Brooklyn Public Library agrees, there must be a way to  
8 ensure that these advanced services are both available and  
9 affordable.

10  
11 For example, within the Borough of Brooklyn, only two (2) of the  
12 fifteen (15) Central Offices (CO) of NYNEX have switching  
13 equipment capable of providing Frame Relay service. Frame Relay  
14 is a commonly available telecommunications technology which  
15 provides high speed connections at a cost lower than that of  
16 dedicated lines. As such, for Brooklyn Public Library to access  
17 Frame Relay Services in 88% (eighty-eight) of its branches, it  
18 must pay incremental costs associated with connecting these  
19 branches to Central Offices with Frame Relay capable switches.

20  
21 Below is a comparison of costs to provide Frame Relay to selected  
22 Brooklyn Public Library branches.

24	Branch	Distance to Frame	T-1 Frame Relay Cost
25	Location	Relay Capable CO	(PSC900 Tariff)
26	Brooklyn Heights	0 miles	\$ 875 / mo
27	Saratoga	2 miles	\$ 1,050 / mo
28	Cypress Hills	5 miles	\$ 1,140 / mo
29	Gerritsen	8 miles	\$ 1,230 / mo

1 The total incremental, or penalty, cost for Brooklyn Public  
2 Library to access Frame Relay services in its 58 (fifty-eight)  
3 branches due to these services not being available borough-wide  
4 is \$159,240 per year, almost 41% (forty-one) greater than the  
5 baseline cost and significantly more than the 5% to 10% High Cost  
6 Discount range currently proposed. When comparing against the  
7 total proposed discount range of 20% to 90%, even at the highest  
8 discount level, it takes almost one-half of that discount just to  
9 bring our costs to market level.

10  
11 Brooklyn Public Library recommends that in calculating the high-  
12 cost discount, these "premium" amounts paid by libraries and  
13 schools due to services which are not locally available should be  
14 immediately discounted to the level which would be charged if the  
15 services were locally available. We refer to these rates as the  
16 Local Baseline Rates and the discount as the Baseline Rate  
17 Adjustment Discount.

18  
19 The calculation of the Baseline Rate Adjustment Discount utilizes  
20 readily available information (tariffed rates) which should not  
21 be difficult or expensive to implement.

22  
23 The second component of our proposed High Cost Discount  
24 calculation methodology is a market-comparison adjustment.  
25 Brooklyn Public Library believes that Adjusted Local Baseline  
26 Rates should be compared against a national average of Adjusted  
27 Local Baseline Rates to calculate an additional discount which  
28 must be considered to arrive at an appropriate High Cost  
29

1 Discount. Due to market conditions, Libraries in some cities pay  
2 far more for telecommunication services that in other cities.

3  
4 For example, when we contacted Ameritech, the RBOC for Chicago,  
5 IL, we were informed that the cost for an intrastate T-1 Frame  
6 Relay circuit (similar service) for a similar customer profile  
7 would be \$575, or approximately 35% less than the \$875 charged by  
8 NYNEX. When comparing this same \$575 to our highest cost for the  
9 same service, \$1,230, we find Brooklyn Public Library costs are  
10 214% higher.

11  
12 Interstate and intrastate services should be included in the  
13 Federal methodology. If the definition of High Cost Discount for  
14 intrastate services is left solely to the states, adequate  
15 Federal funding to states will not be provided to those states  
16 whose intrastate costs are higher than average.

17  
18 Consequently, we recommend that the calculation methodology for  
19 the High Cost Discount be set at the Federal level for both  
20 interstate and intrastate services to ensure maximum equality and  
21 equitable distribution, and that sufficient data be maintained at  
22 a Federal level to facilitate the comparison of intrastate  
23 service rates and the allocation of funds to states to properly  
24 finance High Cost Discounts for intrastate services.

#### 25 26 **Lowest Corresponding Price**

27  
28 As an alternative to the above methodology, we suggest that the  
29 Joint Board refine the definition of "lowest corresponding price"

1 to accommodate these concerns:

- 2
- 3 • "premium" rates due to services not readily available
- 4 locally; and
- 5 • varying rate structures between RBOC's.
- 6

7 If the Joint Board chooses to redefine Lowest Corresponding  
8 Price, we strongly argue that this redefinition accommodate the  
9 issue of the significant variance in pricing for intrastate  
10 services between RBOC's. In addition, some level of information  
11 must cataloged and maintained at the Federal level to ensure the  
12 appropriate distribution of funding for High Cost Discounts for  
13 intrastate services.

14

15 We respectfully remind the Joint Board that many urban areas as  
16 well as rural areas aging telecommunications infrastructures and  
17 resultant high costs for advanced services. We have illustrated  
18 this above and Brooklyn Public Library believes that these issues  
19 are not necessarily a result of lack of competition.

20

21 **Economically Disadvantaged Discount**

22

23 Brooklyn Public Library concurs with the American Library  
24 Association (ALA), in their comments set forth to the Joint Board  
25 regarding the calculation of the discount for economically  
26 disadvantaged libraries. School lunch eligibility is not an  
27 appropriate measure for use in calculating such discounts for  
28 libraries.

29



1 We agree, however, as further stated by ALA, that the Library  
2 Services and Technology Act (LSTA) does provide an appropriate  
3 alternative methodology for determining discounts for  
4 economically disadvantaged library systems, specifically a  
5 poverty factor which refers to "families with incomes below the  
6 poverty line (as defined by the Office of Management and Budget  
7 and revised annually in accordance with section 673(2) of the  
8 Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable  
9 to a family of the size involved."

10  
11 Brooklyn Public Library believes that these data, which are being  
12 used by the Library for other purposes and is updated annually,  
13 is an appropriate measurement which is both fair and minimally  
14 burdensome to the Library.

15  
16 Brooklyn Public Library also agrees with the ALA that each  
17 library system be allowed "to report each branch service area  
18 separately and allocate the discounts accordingly," to more  
19 properly reflect the overall level of poor households within the  
20 library system's entire service area.

21  
22 We believe that the library should be responsible for maintaining  
23 adequate records to substantiate and document its procedures for  
24 calculating the Economically Disadvantaged Discount.

## 25 26 **Contributions**

27  
28 Brooklyn Public Library believes that due to the growing lack of  
29 clarity between interstate and intrastate services (and the

1 resulting revenues), that both intrastate and interstate revenues  
2 should be subject to the factors set forth in the Recommended  
3 Decision and serve as a revenue base for assessing funds.

4  
5 The onset of the Internet is a prime example of the evolving  
6 telecommunications marketplace. For most libraries, the  
7 telecommunications infrastructure necessary to access the  
8 Internet involves acquiring intrastate tariffed services, namely  
9 a local circuit to an Internet Service Provider (ISP) who in turn  
10 provides access to the Internet through its own interstate  
11 tariffed circuits. It is clear, however, that the resultant  
12 services to Libraries and Schools are not only interstate, but  
13 international.

14  
15 We suggest that RBOC's are increasingly enjoying strong revenue  
16 growth due to the growing demand for these types of services and  
17 consequently, these revenues should serve as a portion of the  
18 revenue base for assessing funds.

19  
20 **Summary**

21  
22 Brooklyn Public Library thanks the Joint Board for this  
23 opportunity to comment on the Recommended Decision. We feel the  
24 issues raised in our comments to the Joint Board are significant  
25 in scope, yet manageable in resolution and are confident that the  
26 Joint Board will adopt a final Recommendation that addresses the  
27 concerns of Brooklyn Public Library.

1 We believe our comments address issues that not only face  
2 Brooklyn Public Library, but many other schools and libraries.  
3 If implemented, our recommendations would be instrumental in  
4 carrying out the spirit and substance of the intention and  
5 definition of Universal Service, particularly for libraries  
6 serving low-income communities.

7  
8 Respectfully submitted,

9   
10

11 Martín Gómez

12 Executive Director

13 Brooklyn Public Library

14  
15 For more information, please contact:

16  
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